

2001 DRAFTING REQUEST**Senate Amendment (SA-SB55)**Received: **06/04/2001**Received By: **shoveme**Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 6-9916**By/Representing: **Olin**This file may be shown to any legislator: **NO**Drafter: **shoveme**

May Contact:

Addl. Drafters: **kuesejt**

Subject: **Munis - miscellaneous
Counties - miscellaneous
State Government - miscellaneous
Education - school boards**

Extra Copies: **PG, MJL**Submit via email: **NO**

Requester's email:

Pre Topic:

LFB:.....Olin -

Topic:

Retainage amount on public contracts

Instructions:

See Attached. Reduce retainage percentage from 10% to 5%.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	shoveme 06/04/2001	jdyer 06/05/2001	rschluet 06/05/2001	_____	lrb_docadmin 06/05/2001		

FE Sent For:

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/1	shoveme	1 6/5 jld	6-5-1	6-5-1			

11 MES 6/4/01
FE Sent For:

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Post-It® Fax Note 7671		Date 6/4	# of pages 1
To NAME	From		
Co./Dept. SHOVERS	Co. RICK		
Phone #	Phone # 6-9916		
Fax #	Fax #		

Representative Gard
Senator Decker

BUILDING COMMISSION

Retainage on Public Works Contracts

Motion:

Move to reduce the retainage percentage from 10% to 5%, relative to amounts withheld from payments on public works contracts. Specify that this reduction would first apply to contracts, covenants and agreements entered into on the effective date of the bill.

Note:

With regard to public works contracts for \$1,000 or more, state law authorizes the state and local governments to periodically reimburse contractors for the proportionate value of the completed work. However, state law requires 10% of each reimbursement to be withheld, until 50% of the contract is complete. Thereafter, reimbursements are made in full. Amounts are retained to ensure that contractors fulfill the terms of public works contracts. These provisions do not apply to the Department of Transportation. The motion would reduce the percentage of retained funds from 10% to 5%.

Modification
would be
to s. 66.0901(9)(b)

16-0
June 4, 2001



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb0572/1
MES&JTK...:~:....

LD

LFB:.....Olin – Retainage amount on public contracts

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

1 At the locations indicated, amend the bill as follows:

2 1. Page 254, line 6: after that line insert:

3 “SECTION 321m.✓ 16.855 (19)✓ of the statutes is amended to read:

4 16.855 (19) As the work progresses under any contract for construction the
5 department, from time to time, shall grant to the contractor an estimate of the
6 amount and proportionate value of the work done, which shall entitle the contractor
7 to receive the amount thereof, less the retaining, from the proper fund. On all
8 construction projects, the retainage shall be an amount equal to 10% 5%✓ of said
9 estimate until 50% of the work has been completed. At 50% completion, no additional
10 amounts shall be retained, and partial payments shall be made in full to the
11 contractor unless the architect or engineer certifies that the job is not proceeding
12 satisfactorily. At 50% completion or any time thereafter when the progress of the

1 work is not satisfactory, additional amounts may be retained but in no event shall
2 the total retainage be more than ~~10%~~ 5% of the value of the work completed. Upon
3 substantial completion of the work, an amount retained may be paid to the
4 contractor. For the purposes of this section, estimates may include any fabricated
5 or manufactured materials and components specified, previously paid for by
6 contractor and delivered to the work or properly stored and suitable for incorporation
7 in the work embraced in the contract. This subsection does not apply to contracts
8 awarded under s. 16.858.”.

History: 1971 c. 125; 1973 c. 47; 1975 c. 39, 199, 390; 1977 c. 418; 1979 c. 34; 1981 c. 20; 1983 a. 27 ss. 104g to 105, 2202 (1); 1983 a. 390 s. 6; 1985 a. 29; 1985 a. 332 s. 251 (1); 1987 a. 27, 292; 1989 a. 31; 1991 a. 39, 316; 1995 a. 27 ss. 400p, 9126 (19); 1995 a. 227; 1997 a. 27, 306; 1999 a. 150 s. 672; 1999 a. 197.

9 **2.** Page 911, line 4: after that line insert:

10 “SECTION 2026m. [✓]66.0901 (9) (b) [✓]of the statutes is amended to read:

11 66.0901 (9) (b) *Retained percentages.* As the work progresses under a contract
12 involving \$1,000 or more for the construction, execution, repair, remodeling or
13 improvement of a public work or building or for the furnishing of supplies or
14 materials, regardless of whether proposals for the contract are required to be
15 advertised by law, the municipality, from time to time, shall grant to the contractor
16 an estimate of the amount and proportionate value of the work done, which entitles
17 the contractor to receive the amount of the estimate, less the retainage, from the
18 proper fund. The retainage shall be an amount equal to ~~10%~~ 5% of the estimate until
19 50% of the work has been completed. At 50% completion, further partial payments
20 shall be made in full to the contractor and no additional amounts may be retained
21 unless the architect or engineer certifies that the job is not proceeding satisfactorily,
22 but amounts previously retained shall not be paid to the contractor. At 50%
23 completion or any time after 50% completion when the progress of the work is not
24 satisfactory, additional amounts may be retained but the total retainage may not be

1 more than ~~10%~~ [✓]5% of the value of the work completed. Upon substantial completion
2 of the work, an amount retained may be paid to the contractor. When the work has
3 been substantially completed except for work which cannot be completed because of
4 weather conditions, lack of materials or other reasons which in the judgment of the
5 municipality are valid reasons for noncompletion, the municipality may make
6 additional payments, retaining at all times an amount sufficient to cover the
7 estimated cost of the work still to be completed or may pay out the entire amount
8 retained and receive from the contractor guarantees in the form of a bond or other
9 collateral sufficient to ensure completion of the job. For the purposes of this section,
10 estimates may include any fabricated or manufactured materials and components
11 specified, previously paid for by the contractor and delivered to the work or properly
12 stored and suitable for incorporation in the work embraced in the contract.”.

13 History: 1971 c. 154; 1975 c. 390; 1983 a. 27; 1991 a. 316; 1993 a. 112, 399, 490, 491; 1999 a. 150 ss. 257, 258, 328 to 334; Stats. 1999 s. 66.0901; 1999 a. 186 s. 50.

(END)

✓
INS

2001

PNSURS

Nonstat File Sequence:

EEE

LRB

605721

MESLJK

INITIAL APPLICABILITY

→ # Page 1815, line 25: after that line insert:

- In the component bar:
 For the action phrase, execute: create → action: → *NS: → inappl
 For the budget action phrase, execute: create → action: → *NS: → 93XX
 For the text, execute: create → text: → *NS: → inappl
- Nonstatutory subunits are numbered automatically. Fill in the Section # or subsection # only if a "frozen" number is needed. Below, for the budget, fill in the 9300 department code.

SECTION # [93] Initial applicability;

letter
 1. RETAINANCE AMOUNT ON PUBLIC WORKS CONTRACTS. (CS)
 16.855 (19) and 66.0901 (9) (b)
 The treatment of sections ...
 letter

of the statutes
 first applies to with respect to contracts entered into on
 the effective date of this subsection."
 (end ins)

- In the component bar:
 For the action phrase, execute: create → action: → *NS: → inappl
 For the text, execute: create → text: → *NS: → inapplA
- Nonstatutory subunits are numbered automatically. Fill in the Section # or subsection # only if a "frozen" number is needed.

SECTION # . Initial applicability;

(#1) () This act first
 applies to

LFB:.....Olin - Retainage amount on public contracts

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9 collateral sufficient to ensure completion of the job. For the purposes of this section,
10 estimates may include any fabricated or manufactured materials and components
11 specified, previously paid for by the contractor and delivered to the work or properly
12 stored and suitable for incorporation in the work embraced in the contract.”.

13 **3.** Page 1815, line 25: after that line insert:

14 “(10b) RETAINAGE AMOUNT ON PUBLIC WORKS CONTRACTS The treatment of
15 sections 16.855 (19) and 66.0901 (9) (b) of the statutes first applies with respect to
16 contracts entered into on the effective date of this subsection.”.

17 (END)